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FISCAL IMPACT STATEMENT

LS 7749

BILL NUMBER: SB 531

NOTE PREPARED: Jan 16, 2007

BILL AMENDED:

SUBJECT: Health Care Associated Infections.

FIRST AUTHOR: Sen. Dillon

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Indiana State Department of Health (ISDH) to collect and report information on health-associated infections that occur in health care facilities and study the causes and prevention of health care-associated infections. It requires the Department to establish a web site to make the data collected available to the public.

The bill establishes the Infection Control Advisory Commission.

It also provides that information collected is confidential and may not be used in a civil court proceeding.

Effective Date: July 1, 2007.

Explanation of State Expenditures: The bill establishes the 10-member Infection Control Advisory Commission to be appointed by the ISDH Commissioner to study and devise methods to track and report the occurrence of health care-associated infections (nosocomial infections), for which data must be collected and reported by certain health care entities. The Commission is also to advise the Department on definitions, and methodologies for data collection and analysis of the data. The bill is silent with regard to whether members of the Commission are eligible to receive travel expenses or per diem.

The bill requires the ISDH to collect and report information on health care-associated infections that occur in health facilities. After consultation with the Advisory Commission, the ISDH is to standardize: (1) techniques to find nosocomial infections; (2) definitions; and (3) methods of adjusting risk assessment for comparative purposes. The bill also requires the ISDH to study and define practices and methods of prevention recommended by the Centers for Disease Control and Prevention (CDC) and other professional

organizations specializing in the control of infectious diseases. The ISDH with the advice of the Advisory Commission is also required to consider independently validating the institution-specific process or outcome measures reported by the facility to the ISDH. The bill requires the ISDH to publish data that would allow the public to examine an individual facility's reported nosocomial infection trends and compare that information to statewide or national benchmarks. The ISDH is required to promulgate rules to implement the provisions of the bill before July 1, 2009. The fiscal impact of this activity will depend on administrative decisions made by the Department and the availability of definitions and quality indicators for infection reporting and the use of available outside resources.

The Department is required to adopt rules and establish an Internet web site to make the data collected available to the public before July 1, 2009. Once rules are promulgated, hospitals, including private mental hospitals, and tuberculosis hospitals, nursing facilities, and rehabilitation facilities, and kidney disease treatment centers are required to report data to the Department. The ISDH may also, by rule, include ambulatory outpatient surgical centers and oncology treatment centers. The resources necessary to implement the data collection and analysis will be dependent upon the amount and type of data the Department determines should be collected. As a point of reference, the cancer registry, a similar type of data reporting and analysis program run by the Department, had an annual appropriation of \$237,224 for FY 2007. The state of Missouri appropriated \$200,000 to implement a similar program.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. In FY 2006, the Department of Health administration account reverted \$2,912,557 to the General Fund. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Appropriation Background: The ISDH administrative appropriations were made from the dedicated Tobacco Master Settlement Agreement Fund for FY 2006 and FY 2007. The funding source of the FY 2008 and FY 2009 ISDH administrative appropriations will be determined by the General Assembly.

Background Information, Infection Control: The Joint Commission on the Accreditation of Healthcare Organizations (JCAHO) requires accredited entities to maintain an infection control function and to report sentinel events on an ongoing basis. (A sentinel event is an event that results in patient death or permanent injury or loss of function as a result of the event.) Nosocomial infections are only one type of reportable sentinel events that JCAHO tracks. The CDC works with a group of about 315 hospitals to collect data for the National Nosocomial Infections Surveillance (NNIS) System. This system, renamed the National Healthcare Safety Network (NHSN), recently expanded to include smaller entities with fewer infection control staff, produces nosocomial infection rates to use for comparative purposes and is available on the NNIS website. The CDC estimates that each year nearly 2 million patients in the U.S. acquire infections in hospitals, and about 90,000 die as a result of the infection. Infections are also a complication of care in other settings, such as long-term care facilities and dialysis centers.

Background, MERS: The Department of Health promulgated adverse event reporting regulations, effective April 1, 2006, in response to an executive order requiring the establishment of a Medical Error Reporting and Quality System (MERS). These rules require hospitals and ambulatory outpatient surgical centers to include reporting of serious adverse events for the quality assessment and improvement programs of these

two types of licensed providers. Rules are also being promulgated that will include licensed birthing centers and abortion clinics in the reporting requirements as well. The reporting requirements implemented are for 27 events based on National Quality Forum standards. The requirements for reporting include events that result in death or serious disability or the occurrence of certain events. (Nosocomial infections are not specifically included in the reporting requirements.) The ISDH has established an on-line reporting system to accept reports on an event-by-event basis as they are determined to be reportable. The first preliminary annual report of the information collected for CY 2006 is expected to be released in March 2007. Because not all reportable events may have been received, the final report is expected to be completed in August 2007. This reporting system was implemented with resources currently available to the Department. The Department currently has the rule-making authority to require the reporting of nosocomial infections.

Explanation of State Revenues:

Explanation of Local Expenditures: County-owned hospitals and nursing facilities and potentially ambulatory outpatient surgical centers would be required to report nosocomial infection data to the Department of Health.

Explanation of Local Revenues:

State Agencies Affected: Indiana Department of Health.

Local Agencies Affected: County-owned hospitals, nursing facilities, and potentially ambulatory outpatient surgical centers.

Information Sources: P.L. 224-2003; Joint Commission on the Accreditation of Healthcare Organizations at: <http://www.jcaho.org/about+us/news+letters/sentinal+event+alert>; the National Nosocomial Infection Surveillance System at: <http://www.cdc.gov/ncidod/hip/NNIS/2004NNISreport.pdf> ; Indiana State Department of Health; *Indiana Register*, Volume 29, Number 4, January 1, 2006, LSA Document #06-73(E).

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